REMARKS

Applicant respectfully requests favorable reconsideration of the above-captioned application.

In this amendment, claims 1-38 remain pending. Claims 10-17, 31-35 and 37 have been withdrawn as being directed to a non-elected invention. Therefore, claims 1-9, 18-30, 36 and 38 are now presented for consideration. Of these, claims 1, 6, 18, 21 and 25 are the independent claims.

In the Office Action, Claims 1-9, 18-30, 36 and 38 were rejected as being anticipated by U.S. Patent No. 6,615,188 to Breen et al. Applicants respectfully traverse these rejections and submit that independent claims 1, 6, 18, 21 and 25, together with the remaining claims respectively dependent thereon, are patentably distinct from the cited prior art for the following reasons.

The present invention as defined in independent claim 1 is directed to a computer-implemented method of processing order data associated with an issue of a debt instrument. As described in the present specification at page 10, line 6-page 11, line 10 in connection with Fig. 4, in one advantageous embodiment an investor may submit a spread order specifying a demand curve to automatically vary the order size depending upon a subsequently established market value. In this embodiment, the spread order data 430 includes a plurality of spread values 431, each having a respective demand quantity 432. Each spread value 431 represents price information (e.g., +52 points above benchmark) and the respective demand quantity 432 represents the size of the order to be placed if the respective spread value 431 ultimately equals the market value that is established. The market value is then established in light of the spread order data 430 from this investor and in light of other such orders from other investors. Once the

market value is established, this investor's order is placed at the spread value 431 corresponding to the established market value and with the demand quantity 432, *i.e., here, the order size,* corresponding to this spread value 431.

Accordingly, the method of claim 1 comprises, at a server, receiving a plurality of orders requesting purchase of a debt instrument, at least a first one of the orders comprising size data specifying a non-zero order size that varies over a first range of potential market values of the debt instrument. The method further comprises establishing a market value of the debt instrument based on the plurality of orders, and determining an order size for the first order based on the established market value and the size data.

Based upon the above discussion, it will now be apparent that the portions of Breen et al. cited in the Office Action (col. 7, lines 25-30; col. 8, lines 18-62) fail to teach or suggest the method of claim 1. These portions describe a method in which the investor places an order for a *fixed cost*, e.g., $100 (*see col. 8, lines 39-42 and 50-54*). Several of these orders can be accumulated in order to make the transaction orderly, e.g., by buying an even lot of shares (*see col. 8, lines 42-48 and 53-54*). Depending on the price of the shares when the trade is made, the number of shares ultimately purchased may vary. However, Applicants have found nothing in the cited portions of Breen et al., or in any other portions thereof, that teaches or suggests that "a first one of the orders comprising size data specifying a non-zero order size that varies over a first range of potential market values of the debt instrument," as recited in claim 1. Indeed, in Breen et al. it is only the *cost* of the order that is specified – and not any size, whether fixed or variable, and apparently not the price of the individual shares. Therefore, Breen et al. fails to teach or suggest this feature of claim 1.

In addition, Applicants have found nothing in Breen et al. that would teach or suggest

"establishing a market value of the debt instrument based on the plurality of orders," as recited in claim 1. Because Breen et al. fail to teach or suggest either the size data or the establishment of the market value based on the plurality of orders, Breen et al. necessarily also fail to teach or suggest "determining an order size for the first order *based on the established market value and the size data*," as recited in claim 1.

The present invention as defined in independent claim 6 is directed to a computer-implemented method of processing order data associated with issue of a debt instrument in a primary market. The method comprises during a subscription period for a debt instrument, receiving at a server a plurality of order requests for an issue of the debt instrument, and, during the subscription period, forming an order book comprising an aggregate of the plurality of order requests received at the server, the aggregate differentiating total purchase demand for different market values of the debt instrument. The method further comprises displaying the order book to an issuer of the debt instrument, upon request by the issuer, forming an updated order book, and displaying the updated order book to the issuer.

For claim 6, the Office Action cites to the same portions as for claim 1, with the addition of col. 12, lines 1-27. These lines in column 12 refer to the flowchart of Fig. 2, describing the workflow for executing a buy order. In this method, the exchanger 65 attempts to execute a trade at a price quote, but if the actual execution price is different that the quote, the transaction server 50 reprices and buys again until fully invested (*see col. 12, lines 7-22*). The aggregate of orders in Breen et al. does not *differentiate* total purchase demand for different market values, as recited in claim 6, but rather reflects a single total at a single market value, i.e. the specific price quote. The fact that the transaction server 50 reprices and buys again if the initial price does not match the price quote does not correspond to differentiating total purchase demand for different

16

market values, as in claim 6.

Instead, Breen et al., in column 12, merely describes a standard purchase transaction once several orders for the same share have been aggregated. Accordingly, there is no reason in Breen et al. for its operations to take place *"during a subscription period,"* as recited in claim 6, and Applicants have found no teaching or suggestion of this in these or any other portions of Breen et al. Similarly, there is no reason in Breen et al. for the display of an *order book* to the *issuer of the debt instrument*, since the issuer is not involved in Breen et al.'s transaction, and no teaching or suggestion of this has been found in Breen et al.

The present invention as defined in independent claim 18 is directed to a computer-implemented method of processing order data associated with an issue of a debt instrument. The method comprises at a server, establishing an issuer account associated with an issuer of a debt instrument, and, at the server, establishing a plurality of management accounts each associated with a different one of a plurality of managing entities and each enabling establishment of sub-accounts, each sub-account associated with a primary market investor for the debt instrument. The method further comprises at the server, receiving requests from the managing entities to establish sub-accounts for primary market investors, receiving offers from the primary market investors for purchase of the debt instrument, generating an issuer order book comprising an aggregate of the offers received from the different primary market investors associated with the plurality of management accounts, and displaying the issuer order book to the issuer.

The Office Action cites only the previously-cited portions of Breen et al. on Colums 7 and 8 against claim 18. Like claim 6, claim 18 is directed to a method including the display of an issuer order book to the issuer. Applicants submit that claim 18 is patentably distinguished from Breen et al. for at least the same reasons as claim 6.

The present invention as defined in independent claim 21 is directed to a computer-implemented method of processing order data associated with an issue of a debt instrument. The method comprises receiving at a server a plurality of offers for purchase of a debt instrument, at least one of the offers specifying a demand amount that is variable based on market value of the debt instrument, forming a dynamically updated order book comprising an aggregate of the plurality of offers, the aggregate differentiating total purchase demand at different purchase price levels, and displaying the dynamically updated order book to an issuer of the debt instrument.

The Office Action cites the same portions of Breen et al. It is noted that claim 21 recites features of the above-discussed claims, including claims 1 and 6, that have already been demonstrated to be neither taught nor suggested by Breen et al. Applicants submit that claim 21 is patentably distinguished from Breen et al. for at least the same reasons as claims 1 and 6.

The present invention as defined in independent claim 25 is directed to a computer system for processing data in support of the issue of debt instruments in a primary market. The system comprises a network interface operatively coupling the system to a plurality of primary market investor terminals, a data processor operatively coupled to the network interface and to a transaction database system, and a program storage media coupled to the processor and comprising instructions to configure the processor to:

receive debt instrument purchase orders from the primary market investor terminals, at least a first one of the purchase orders comprising data specifying a non-zero order size that varies over a first range of market values of the debt instrument;

store purchase order data derived from received purchase orders in the transaction database system;

aggregate the stored purchase order data to distinguish market demand for the

debt instrument at a plurality of potential market values;

establish a market value of the debt instrument based on the market demand at the plurality of potential market values; and

determine the order size associated with the first one of the purchase orders based on the established market value.

Claim 25 is an apparatus claim generally corresponding to method claim 1, and is believed to be patentably distinct from Breen et al. for at least the same reasons.

Applicants have reviewed the other prior art of record and have found nothing therein that would remedy the above-noted deficiencies of Breen et al. as a reference against the present claims.

In view of the above remarks, Applicants respectfully submit that claims 1-9, 18-30, 36 and 38 are patentably distinct from the prior art of record. The Examiner is respectfully requested to pass this case to issue.

If any fee is due for this filing, please charge the LARGE ENTITY fee therefor to Deposit Account No. 16-2500 of the undersigned.

Applicants' undersigned attorney may be reached by telephone at (212) 969-3314 or by

facsimile at (212) 969-2900. Please direct all correspondence to Customer No. 21890 at the

address provided below.

<div style="text-align:right">

Respectfully submitted
PROSKAUER ROSE LLP
Attorneys for Applicants

</div>

Date: July 12, 2005   By _____

PROSKAUER ROSE LLP   Abigail F. Cousins
1585 Broadway   Reg. No. 29,292
New York, NY 10036

Tel: (212) 969-3000